

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
McALLEN DIVISION

UNITED STATES OF AMERICA,)	CASE NO: 7:19-CR-00501-1
)	
Plaintiff,)	CRIMINAL
)	
vs.)	McAllen, Texas
)	
LEONEL JULIAN LOPEZ, JR.,)	Friday, March 22, 2019
)	(3:10 p.m. to 3:23 p.m.)
Defendant.)	(3:41 p.m. to 4:02 p.m.)
)	(4:05 p.m. to 4:05 p.m.)

REARRAIGNMENT

BEFORE THE HONORABLE RICARDO H. HINOJOSA,
UNITED STATES DISTRICT JUDGE

(SEALED BENCH CONFERENCE OMITTED)

Appearances: See next page

Court Interpreter: None present

Court Recorder [ECRO]: Antonio Tijerina

Transcribed By: Exceptional Reporting Services, Inc.
P.O. Box 18668
Corpus Christi, Texas 78480-8668
361 949-2988

Proceedings recorded by electronic sound recording;
transcript produced by transcription service.

APPEARANCES FOR:

Plaintiff: BOBBY LOPEZ, ESQ.
Assistant United States Attorney
1701 W. Business Hwy. 83
Suite 600
McAllen, TX 78501

Defendant: FABIAN GUERRERO, ESQ.
511 W. University Drive
Edinburg, TX 78539

U.S. Probation: Samantha Solis
1701 W. Business Hwy. 83
Suite 729
McAllen, Texas 78501

McAllen, Texas; Friday, March 22, 2019; 3:10 p.m.

(Call to Order)

THE COURT: Please be seated.

We're on – this has been a filing that has been given a case number, M19-501, *United States of America versus Leonel Julian Lopez, Jr.* Is the Government present and ready?

MR. LOPEZ: The Government is present, your Honor. And, your Honor, my apologies. I just realized I forgot to print the –

THE COURT: Do what?

MR. LOPEZ: I just realized I forgot to print out the Information, your Honor. My apologies.

THE COURT: We have a copy of it.

MR. LOPEZ: Okay.

THE COURT: Do you need another one?

MR. LOPEZ: I just need a copy, your Honor, to read it before the plea, your Honor.

THE COURT: Okay.

MR. GUERRERO: Good morning, Judge, Fabian Guerrero for Mr. Lopez.

THE COURT: Alex, he needs a copy of this.

THE CLERK: Yes, Judge, I'll print it out.

THE COURT: It's my understanding this is a request – are the Defendants present and ready?

MR. GUERRERO: Yes, we're present and ready, yes,

1 Judge.

2 **THE COURT:** It's my understanding that the Defendant
3 would like to waive his right to an indictment and proceed on
4 this – on a felony charge with regards to a Criminal
5 Information.

6 **MR. GUERRERO:** That's correct, your Honor.

7 **THE COURT:** Okay. Well, I will quiz him shortly
8 about all this.

9 **(Pause)**

10 **THE COURT:** Do you have a copy now?

11 **MR. LOPEZ:** Yes, your Honor.

12 **THE COURT:** Okay. I do have the right to ask under
13 The Crime Victims' Rights Act if there's any individual victim
14 of – the victim has a right to receive notice of any public
15 court proceeding involving the crime but I don't believe
16 there's individual victims in this particular case.

17 **MR. LOPEZ:** There's not any individual victims.

18 **THE COURT:** It's Government entities?

19 **MR. LOPEZ:** That's correct, your Honor.

20 **THE COURT:** Okay. Go ahead and swear him in, please.

21 **THE CLERK:** Raise your right hand.

22 **(Defendant sworn)**

23 **THE COURT:** Sir, do you understand that having been
24 sworn, all your answers to my questions have to be the truth
25 and if they are not, you're subjecting yourself to the

1 penalties of perjury and/or of making a false statement? Do
2 you understand that, sir?

3 **THE DEFENDANT:** Yes, sir.

4 **THE COURT:** What is your full, true and correct name,
5 sir?

6 **THE DEFENDANT:** Leonel Julian Lopez, Jr.

7 **THE COURT:** And, Mr. Lopez, how old are you, sir?

8 **THE DEFENDANT:** I'm 52 years old, sir.

9 **THE COURT:** And how far did you go to school?

10 **THE DEFENDANT:** I have – I graduated from high school
11 and I have some college hours and – but I –

12 **THE COURT:** And are you employed some place right
13 now, sir?

14 **THE DEFENDANT:** Yes, sir.

15 **THE COURT:** And that employment is what, sir?

16 **THE DEFENDANT:** I work for the State of – well, I did
17 work for the State of Texas until the 15th, I believe. I'm a
18 municipal court judge in the city of Rio Grande. Also, I just
19 got employed with the County since I was going to resign from
20 the other – from the municipal court judge position.

21 **THE COURT:** And did you have another job also or
22 those were all your jobs?

23 **THE DEFENDANT:** I own a consulting firm and so I get
24 paid from that.

25 **THE COURT:** Your Pretrial Services Report says you

1 had also been employed part-time by State Representative
2 (indisc.).

3 **THE DEFENDANT:** That's who I stopped working for on
4 the 15th according to the report.

5 **THE COURT:** Okay. And you obviously read and write
6 English; is that right, and speak and understand English?

7 **THE DEFENDANT:** Yes, sir.

8 **THE COURT:** Have you ever been treated by a doctor or
9 admitted to a hospital for a mental disease or mental disorder
10 of any kind?

11 **THE DEFENDANT:** No, sir.

12 **THE COURT:** Have you during the last 24 hours taken
13 any kind of drugs, medicine or pills or drunk any alcoholic
14 beverages?

15 **THE DEFENDANT:** Medicine, yes, sir.

16 **THE COURT:** Any kind of medicine or taken any pills
17 or –

18 **THE DEFENDANT:** Just medicine for –

19 **THE COURT:** – drunk any alcoholic beverages? Have
20 you taken some medication in the last 24 hours, sir?

21 **THE DEFENDANT:** I took my medicine this morning for
22 my high blood pressure, yes.

23 **THE COURT:** Okay. And which one do you take, sir?

24 **THE DEFENDANT:** Uh –

25 **THE COURT:** Losartan? It's not Losartan?

1 **THE DEFENDANT:** My wife has it in a little –

2 **THE COURT:** Well, whatever – but you do know it's for
3 high blood pressure?

4 **THE DEFENDANT:** High blood pressure, yes, sir.

5 **THE COURT:** It has been prescribed by a doctor?

6 **THE DEFENDANT:** Yes, sir.

7 **THE COURT:** Anything else other than that?

8 **THE DEFENDANT:** I take Genuwit (phonetic) for my
9 sugar levels, Genuwit 50, 1,000 – 50 –

10 **THE COURT:** That's also prescribed?

11 **THE DEFENDANT:** Yes, sir.

12 **THE COURT:** Anything else?

13 **THE DEFENDANT:** No, sir.

14 **THE COURT:** Okay. And those have been prescribed by
15 a doctor and you have not been informed that that in any way
16 affects your ability to comprehend matters or to understand
17 matters or to be able to be voluntary with regards to any
18 decisions you make; is that correct?

19 **THE DEFENDANT:** Yes, sir.

20 **THE COURT:** And you do have an attorney, sir; is that
21 correct?

22 **THE DEFENDANT:** Yes, sir.

23 **THE COURT:** And do you want to announce for the
24 record that you're here, sir?

25 **MR. GUERRERO:** Fabian Guerrero here, on the record,

1 Judge.

2 **THE COURT:** And, Mr. Guerrero, he is your client?

3 **MR. GUERRERO:** Yes, he is, Judge.

4 **THE COURT:** Do you have any doubt as to his
5 competence to understand these proceedings and to enter a
6 knowing plea – to enter a knowing waiver here and then a
7 knowing plea to a Criminal Information? Do you have any doubt
8 as to his competence to do that?

9 **MR. GUERRERO:** No doubts whatsoever, Judge.

10 **THE COURT:** Have you been furnished with a copy of
11 the Criminal Information that the U.S. Attorney is attempting
12 to file against you through a Criminal Information rather than
13 an indictment of a Grand Jury? Have you seen a copy of that,
14 sir?

15 **THE DEFENDANT:** Yes, sir. This is what –

16 **THE COURT:** And you do realize that the Criminal
17 Information that the – felony charge that the U.S. Attorney is
18 attempting to file against you through an Information rather
19 than an indictment is as follows:

20 That from on a – at least on or about April 2008 to
21 on or about December 2015 in the Southern District of Texas and
22 within the jurisdiction of this Court, you willfully, knowingly
23 and corruptly gave – offered and agreed to give something of
24 value, that is, money, to a public official intending the
25 public official to be influenced and rewarded in connection

1 with a business transaction and series of transactions of the
2 city of Weslaco, Texas valued at \$5,000 or more, that is,
3 contracts for the construction and rehabilitation of water
4 treatment facilities in the city of Weslaco, Texas and during
5 that same one-year period, the city of Weslaco received
6 benefits in excess of \$10,000 under Federal programs involving
7 a grant contact – grant – does that mean “contract” other than
8 “contact”?

9 **MR. SPEAKER:** Contract.

10 **MR. LOPEZ:** Your Honor, that should be “contract.”

11 **THE COURT:** Okay. Do you want to put an “R” there
12 and initial that?

13 **MR. LOPEZ:** Yes, your Honor. Your Honor, and I
14 apologize. The only other amendment that we were seeking to
15 make – and I have talked to Defense counsel about it, it should
16 reflect December 2016, not December 2015.

17 **MR. GUERRERO:** Yes, Judge, we have spoken about it.

18 **THE COURT:** Okay. So that’s been changed to December
19 2016; is that correct?

20 **MR. LOPEZ:** That’s correct, your Honor.

21 **THE COURT:** Okay. And as I said, that during that
22 same one-year period, the city of Weslaco received – Weslaco,
23 Texas received benefits in excess of \$10,000 under Federal
24 programs involving a grant, contract, subsidy, loan, guarantee,
25 insurance and/or other form of Federal assistance and all this

1 is in violation of Title 18, United States Code, Section
2 666(a)(2). Do you understand that that's what they – the
3 felony charge that they're attempting to file through this
4 Criminal Information rather than through an indictment of a
5 Grand Jury?

6 **THE DEFENDANT:** Yes, sir.

7 **THE COURT:** They're also filing a Notice of
8 Forfeiture indicating that upon conviction of the offense in
9 violation of Title 18, U.S. Code, Section 666 as set forth in
10 Count One of this Information, you will forfeit to the United
11 States of America pursuant to Title 18, U.S. Code, Sections
12 981(a)(1)(C) and Title 28, United States Code, Section 2461(c),
13 any property, real or personal, which constitutes or is derived
14 from proceeds traceable to the offense and that the property
15 subject to forfeiture includes but is not limited to the
16 following property, approximately \$2,514,414 in U.S. currency
17 and that you were notified that a money judgment may be imposed
18 equal to the total value of the property subject to forfeiture
19 and that if any of the property described above is a result of
20 any act or omission of the Defendant – of you cannot be located
21 upon the exercise and due diligence, has been transferred or
22 sold to or deposited with a third party has been placed beyond
23 the jurisdiction of the Court, has been substantially
24 diminished in value or has been comingled with other property
25 which cannot be divided without difficulty of the United States

1 of America shall be entitled to forfeiture of substitute
2 property pursuant to Title 21, U.S. Code, Sections 853(p) and
3 has been created by Title 28, U.S. Code, Section 2461(c) and
4 that all this is pursuant to Title 18, U.S. Code, Section
5 981(a)(1)(C) and 28, U.S. Code, Section 2461(c). That notice
6 of forfeiture is also part of the Criminal Information that I
7 have been told that you would like to waive your right to an
8 indictment of a Grand Jury. Do you understand that, sir?

9 **THE DEFENDANT:** Yes, sir.

10 **THE COURT:** And have you been furnished a copy of
11 this Criminal Information?

12 **THE DEFENDANT:** The one that we just -

13 **THE COURT:** Yes, you have seen it?

14 **THE DEFENDANT:** Yes, sir. Yes, sir.

15 **THE COURT:** And you have been furnished a copy; is
16 that correct?

17 **THE DEFENDANT:** Yes, sir.

18 **THE COURT:** And you do understand the charges that
19 are being brought against you? You told me that; is that
20 correct?

21 **THE DEFENDANT:** Yes, sir.

22 **THE COURT:** And you do understand that in the United
23 States, with regards to a felony charge such as this, you have
24 a constitutional right to be charged by an indictment of a
25 Grand Jury but you can give up that right and consent to being

1 charged by a Criminal Information of the U.S. Attorney? Do you
2 understand that?

3 **THE DEFENDANT:** Yes, sir.

4 **THE COURT:** And you understand, as I have indicated
5 already, that instead of an indictment, this felony charge is
6 attempted to be brought against you by this Criminal
7 Information of the U.S. Attorney? You understand that?

8 **THE DEFENDANT:** Yes, sir.

9 **THE COURT:** And you do understand that unless you
10 waive your right to an indictment, you cannot be charged with
11 this felony unless a Grand Jury finds by return of an
12 indictment that there is probable cause to believe that this
13 crime was committed and that you were the one who committed it?
14 Do you understand that?

15 **THE DEFENDANT:** Yes, sir.

16 **THE COURT:** Do you understand that if you do not
17 waive up your right to an indictment on this particular charge,
18 the Government can present this case to the Grand Jury and
19 request that it indict you? Do you understand that?

20 **THE DEFENDANT:** Yes, sir.

21 **THE COURT:** Do you understand that a Grand Jury is
22 composed of at least 16 and not more than 23 people and at
23 least 12 of those Grand Jurors would have to find that there is
24 probable cause to believe that you committed the crime with
25 which you were being charged with before you could be indicted?

1 Do you understand that?

2 **THE DEFENDANT:** Yes, sir.

3 **THE COURT:** And do you understand that the Grand Jury
4 might decide to indict you or they might decide not to indict
5 you? Do you understand that?

6 **THE DEFENDANT:** Yes, sir.

7 **THE COURT:** Do you also understand that if you waive
8 up your right to an indictment by a Grand Jury, this case is
9 going to proceed against you on this Criminal Information of
10 the U.S. Attorney just as if you had been indicted? Do you
11 understand that?

12 **THE DEFENDANT:** Yes, sir.

13 **THE COURT:** Mr. Lopez, have you discussed giving up
14 your – waiving up your right to an indictment by the Grand Jury
15 with your attorney?

16 **THE DEFENDANT:** Yes, sir.

17 **THE COURT:** Do you – and I'll ask you again. Do you
18 understand everything I've explained to you about your right to
19 indictment by a Grand Jury?

20 **THE DEFENDANT:** Yes, sir.

21 **THE COURT:** Has anybody made any threat or promise to
22 you that is making you want to give up your right to an
23 indictment by a Grand Jury?

24 **THE DEFENDANT:** No, sir.

25 **THE COURT:** Do you wish to give up your right to an

1 indictment of a Grand Jury on this?

2 **THE DEFENDANT:** I'm sorry?

3 **THE COURT:** Do you wish to give up your right to an
4 indictment –

5 **THE DEFENDANT:** Yes, sir.

6 **THE COURT:** – of a Grand Jury and proceed with a
7 Criminal Information charge against you?

8 **THE DEFENDANT:** Yes, sir.

9 **THE COURT:** Mr. Guerrero, do you – have you had this
10 discussion with your client?

11 **MR. GUERRERO:** Several times, Judge, yes.

12 **THE COURT:** And you are – and believe and agree with
13 him that he is competent to understand these proceedings and to
14 answer a knowing waiver as well as a plea in this case?

15 **MR. GUERRERO:** Yes, I am. Yes, Judge.

16 **THE COURT:** And do you see any reason why he should
17 not give up his right to an indictment of a Grand Jury?

18 **MR. GUERRERO:** I see no reason he should.

19 **THE COURT:** Okay. There is a form that has to be
20 signed by you if you wish to give up your right to an
21 indictment by a Grand Jury. It has been prepared and you
22 should have that with you. Go ahead and read it, Mr. Lopez,
23 and then go ahead and sign it if you still want to give up your
24 right to an indictment by a Grand Jury.

25 Do you have the waiver form?

1 **MR. LOPEZ:** No, your Honor. The last time I was in
2 here, I believe it had been prepared, your Honor.

3 **THE COURT:** I don't know that we're the ones that
4 prepare it.

5 **MR. LOPEZ:** Your Honor, if not, I can go down and
6 grab one and – I know the last time I was here, it had been but
7 I can go down and grab one.

8 **THE COURT:** Yeah. We normally don't do that
9 ourselves. Yeah.

10 **MR. LOPEZ:** Give me a second, your Honor.

11 **(A recess was taken from 3:23 p.m. to 3:41 p.m.)**

12 **MR. LOPEZ:** Yes, your Honor. It's all ready.

13 **THE COURT:** Okay. Let's go back on the record.

14 **MR. LOPEZ:** Yes, your Honor.

15 **THE COURT:** We do have a form that's been filled out.
16 It's a Waiver of Indictment that affects this case – this
17 charge here.

18 Mr. Lopez –

19 **THE DEFENDANT:** I'm sorry? I thought you were –

20 **THE COURT:** Mr. –

21 **MR. LOPEZ:** Yes, your Honor.

22 **THE COURT:** – Mr. Prosecutor –

23 **MR. LOPEZ:** Your Honor, and I can provide the Court
24 with a copy as well.

25 **THE COURT:** Yes, I need to have a copy of that.

1 You're sure you still want to give up your right to
2 an indictment?

3 **THE DEFENDANT:** Yes, sir.

4 **THE COURT:** If you do, you need to go ahead and sign
5 it.

6 **(Pause)**

7 **THE COURT:** Is that your signature, Mr. Lopez?

8 **THE DEFENDANT:** Yes, sir.

9 **THE COURT:** I guess I'm the only one that you-all are
10 – that people are going to be able to read the signature of.

11 Mr. Guerrero, yours is about the same.

12 **MR. GUERRERO:** Sorry, Judge. That's the way I sign.

13 **THE COURT:** Mr. Lopez, you didn't go to the
14 Immaculate Conception School in Rio Grande?

15 **THE DEFENDANT:** No, sir. I went to another Catholic
16 school in Bryan-College Station.

17 **THE COURT:** I think the nuns in Rio Grande would have
18 made sure you learned how to sign your name but other than
19 that.

20 And you saw no reason why he shouldn't sign the
21 waiver; is that right, Mr. Guerrero?

22 **MR. GUERRERO:** I saw no reason why he shouldn't sign
23 the waiver, Judge. That's correct.

24 **THE COURT:** The Court has accepted it and has gone
25 ahead and signed it and it's the Court's decision that he has

1 – that he was competent to understand these proceedings and he
2 was competent to enter a knowing waiver of indictment and that
3 he has so waived his right to indictment and proceeded to –
4 agree that he would proceed with regards to the sealed – to the
5 Criminal Information and that he wanted to change his plea.

6 Go ahead and – and that he wants to plead guilty to
7 that. Go ahead and proceed to arraign him on the indictment.

8 **MR. LOPEZ:** Thank you, your Honor.

9 United States District Court, Southern District of
10 Texas, McAllen Division, *United States of America versus Leonel*
11 *Julian Lopez, Jr., Defendant*, Criminal Number M19-501. This is
12 a Criminal Information. The United States Attorney charges
13 that in Count One a violation of Title 18, United States Code,
14 Section 666(a)(2), Federal program bribery from at least in or
15 about April 2008 to on or about December 2016 in the Southern
16 District of Texas and elsewhere within the jurisdiction of the
17 Court, Defendant Leonel Julian Lopez, Jr. willfully, knowingly
18 and corruptly gave, offered and agreed to give something of
19 value, that is, money to a public official intending the public
20 official to be influenced and rewarded in connection with a
21 business transaction and series of transactions of the city of
22 Weslaco, Texas valued at \$5,000 or more, that is, contracts for
23 the construction and rehabilitation of water treatment
24 facilities in the city of Weslaco, Texas and during that same
25 one-year period, the city of Weslaco, Texas received benefits

1 in excess of \$10,000 under Federal programs involving a grant,
2 contract, subsidy, loan, guarantee, insurance and other form of
3 Federal assistance all in violation of Title 18, United States
4 Code, Section 666(a)(2).

5 Mr. Lopez, to this sole count in the Information, how
6 do you plead, guilty or not guilty?

7 **THE DEFENDANT:** Guilty.

8 **THE COURT:** And, Mr. Lopez, you have had an
9 opportunity to discuss this with your lawyer, the charges in
10 the Criminal Information. Is that what you had told me before
11 and that you did want to give up your right to an indictment
12 and wanted to proceed pleading guilty with regards to this
13 Criminal Information? Is that right?

14 **THE DEFENDANT:** Yes, sir.

15 **THE COURT:** And you do understand that under the
16 Constitution and laws of the United States, you have a right to
17 plead not guilty and you – and if you plead not guilty, then
18 you have a right to a jury or a judge on the charges contained
19 in the Criminal Information against you? Do you understand
20 that?

21 **THE DEFENDANT:** Yes, sir.

22 **THE COURT:** Do you also understand that at a trial,
23 you would have the right to the assistance of a lawyer whether
24 you could afford one or not and if you could not afford one,
25 the Court would appoint one to represent you at all stages of

1 the proceedings against you at no cost to you? Do you
2 understand that?

3 **THE DEFENDANT:** Yes, sir.

4 **THE COURT:** Do you also understand that at a trial,
5 you would be presumed to be innocent and the Government would
6 have to overcome that presumption and prove you guilty by
7 competent evidence and beyond a reasonable doubt and it would
8 not be up to you to prove your innocence? Do you understand
9 that?

10 **THE DEFENDANT:** Yes, sir.

11 **THE COURT:** Do you also understand that in the course
12 of a trial, the witnesses for the Government would have to come
13 into the courtroom and testify in your presence and in the
14 presence of your attorney and your attorney could cross examine
15 the witnesses for the Government, object to any evidence
16 offered and presented by the Government and present any
17 evidence on your behalf that you might want to present? Do you
18 understand that?

19 **THE DEFENDANT:** Yes, sir.

20 **THE COURT:** Do you also understand that at a trial,
21 you would have the right to take the witness stand if you chose
22 to do so but if you chose not to do so, you would have your
23 very important right under the Fifth Amendment to the United
24 States Constitution not to testify and not to incriminate
25 yourself and no one could hold it against you if you did not

1 testify? Do you understand that?

2 **THE DEFENDANT:** Yes, sir.

3 **THE COURT:** Do you also understand that if you
4 continue to plead guilty to this Criminal Information and if I
5 accept that guilty plea that you're giving up and you're
6 waiving up your right to a trial and these other rights which I
7 have just mentioned and discussed with you, including any
8 rights which you may have with regards to having a jury
9 determine any sentencing factor in your case and in your case,
10 there would not be a trial and I would simply enter a judgment
11 of guilty and sentence you on the basis of your guilty plea?
12 Do you understand that?

13 **THE DEFENDANT:** Yes, sir.

14 **THE COURT:** Do you also understand that if you
15 continue to plead guilty, you give up your right not to testify
16 against yourself and not to incriminate yourself because in
17 order for me to be satisfied that you are guilty of this
18 particular charge, I will have to ask you some questions and
19 you will not be able to refuse to answer those questions? Do
20 you understand that?

21 **THE DEFENDANT:** Yes, sir.

22 **THE COURT:** Are you willing to waive up and give up
23 your right to a trial and these other rights which I have just
24 mentioned and discussed with you and that's what happens when
25 you plead guilty? So are you willing to do that?

1 **THE DEFENDANT:** Yes, sir.

2 **THE COURT:** You've told me already that you've
3 discussed with your attorney the charges contained in this
4 Criminal Information against you. Do you understand that?

5 **THE DEFENDANT:** Yes, sir.

6 **THE COURT:** Do you understand what you're being
7 charged with?

8 **THE DEFENDANT:** Yes, sir.

9 **THE COURT:** Do you understand that if you told me
10 right now that you wanted to plead not guilty to this Criminal
11 Information that in order to find you guilty, the Government
12 would have to prove at a trial by competent evidence and beyond
13 a reasonable doubt that from at least on or about April 2008 to
14 on or about December 2016 within the jurisdiction of this Court
15 in the Southern District of Texas, you had willfully, knowingly
16 and corruptly given, offered and agreed to give something of
17 value, that is, money to a public official intending the public
18 official to be influenced and rewarded in connection with a
19 business transaction and/or series of transactions with the
20 city of Weslaco, Texas valued at \$5,000 or more, that is,
21 contracts for construction and rehabilitation of water
22 treatment facilities in the city of Weslaco, Texas and during
23 that same one-year period, the city of Weslaco, Texas received
24 benefits in excess of \$10,000 on their Federal programs
25 involving a grant, contracts, subsidy, loan, guarantee,

1 insurance and/or other form of Federal assistance all in
2 violation of Title 18, United States Code, Section 666(a)(2).

3 Do you understand that that's what they would have to
4 prove in order to find you guilty of this particular charge?

5 **THE DEFENDANT:** Yes, sir.

6 **THE COURT:** Do you know what the maximum possible
7 punishment is that I have to impose in your particular – can
8 impose in your particular case?

9 **THE DEFENDANT:** Yes, sir.

10 **THE COURT:** You do know that it can be up to ten
11 years imprisonment and/or a 250,000-dollar fine?

12 **THE DEFENDANT:** Yes, sir.

13 **THE COURT:** In addition to that, the Court has to
14 impose a 100-dollar special assessment against you as required
15 by law. Also, at the time of sentencing, if the Court
16 incarcerates you, the Court can impose a Supervised Release
17 term of up to three years which means that when you would be
18 released from prison, you'd be released under Supervised
19 Release. If you violate a condition of Supervised Release,
20 that term would be revoked and you would serve that time in
21 custody.

22 In addition to all of this, if the Court to find that
23 you are financially able, the Court at the time of sentencing
24 would have to assess the cost of incarceration and of
25 Supervised Release that may be imposed on you and that the

1 Court would have to impose those costs on you. Do you
2 understand that?

3 **THE DEFENDANT:** Yes, sir.

4 **THE COURT:** Do you also understand that another
5 punishment here is that you would have to forfeit any interest
6 that you would have with regards to any of this money that was
7 the subject of this particular violation of the law?

8 **THE DEFENDANT:** Yes, sir.

9 **THE COURT:** Do you also understand that if the Court
10 finds that there were – that restitution needed to be made that
11 the Court would have to order that restitution be made on your
12 part if the Court found that you were financially able to do
13 so?

14 **THE DEFENDANT:** Yes, sir.

15 **THE COURT:** Do you need any further explanation as to
16 what the maximum possible punishment is in your case?

17 **THE DEFENDANT:** No, sir.

18 **THE COURT:** And you are an American citizen; is that
19 right?

20 **THE DEFENDANT:** Yes, sir.

21 **THE COURT:** The Court is going to find that he
22 understands the nature of the charges to which his plea is
23 offered and is certainly aware of what the maximum possible
24 punishment is in his case.

25 Have you and your attorney talked about the

1 sentencing guidelines and what, if any, effect it may have with
2 regards to your sentencing?

3 **THE DEFENDANT:** Yes, sir.

4 **THE COURT:** Do you understand that I will not be able
5 to determine what guideline sentence might apply in your case
6 until after a presentence report has been completed and you and
7 the Government have had an opportunity to object to that
8 report? Do you understand that?

9 **THE DEFENDANT:** Yes, sir.

10 **THE COURT:** Do you also understand that even after
11 there has been a determination as to what the applicable
12 guideline sentence might be in your case that based on all the
13 factors that I have to consider under the law as to what the
14 appropriate sentence should be in your case that I can make a
15 decision that any sentence up to the maximum possible
16 punishment as I explained to you could be the appropriate
17 sentence regardless of what the guideline determination might
18 be? Do you understand that?

19 **THE DEFENDANT:** Yes, sir.

20 **THE COURT:** Do you also understand that in the
21 Federal system, we do not have any parole and when a person is
22 sent to prison, they will have to serve the entire imprisonment
23 time in custody and when they get released, they get released
24 on whatever Supervised Release term the Court might have
25 imposed in their particular case? Do you understand that?

1 **THE DEFENDANT:** Yes, sir.

2 **THE COURT:** The Court is going to find that Mr. Lopez
3 is aware of the sentencing guidelines and had a full discussion
4 with his attorney about them.

5 Mr. Lopez, has anybody threatened you or forced you
6 to plead guilty or told you that if you did not plead guilty,
7 further charges or some other action would be brought against
8 you?

9 **THE DEFENDANT:** No, sir.

10 **THE COURT:** Is there a plea agreement as the result
11 of discussions between the Government and the Defense in this
12 particular case?

13 **MR. LOPEZ:** Yes, your Honor. The Defendant agrees –
14 it reads, "In pertinent part, the Defendant agrees to plead
15 guilty to Count One of the Information pursuant to
16 Title 18, United States Code, Section 3663(a)(3).
17 The Defendant agrees and stipulates that at least
18 \$2,514,414 represents the proceeds that the Defendant
19 obtained directly or indirectly as a result of his
20 participation in the charged violation and that the
21 factual basis for his guilty plea supports the
22 forfeiture of \$2,514,414.
23 The Defendant agrees to forfeit any of the
24 Defendant's property and substitution up to a total
25 forfeiture of \$2,514,414 and, further, the Defendant

1 agrees to the imposition of a personal money judgment
2 up to that amount and the Defendant agrees to make a
3 complete financial disclosure by truthfully executing
4 a sworn financial statement, a Form OBD-500 or
5 similar form within 14 days and by authorizing the
6 release of all financial information requested by the
7 United States.

8 Defendant agrees to authorize a release of all
9 financial information requested by the United States
10 and to take all steps necessary to pass clear title
11 to forfeitable assets to the United States and to
12 fully assist in the collection of restitution and
13 fines including but not limited to surrendering
14 title, executing warranty deeds, signing consent
15 decrees and signing any other documents to effectuate
16 the transfer of any asset.

17 In exchange, the Government will recommend that the
18 offense level decrease by two levels pursuant to
19 United States Sentencing Guideline, Section 3E1.1(a)
20 if the Defendant clearly demonstrates acceptance of
21 responsibility."

22 **THE COURT:** Mr. Guerrero, is that the plea agreement
23 for your client?

24 **MR. GUERRERO:** That is the plea agreement, yes,
25 Judge.

1 **THE COURT:** Mr. Lopez, is that your plea agreement
2 with the Government?

3 **THE DEFENDANT:** Yes, sir.

4 **THE COURT:** Has anybody made any promise to you other
5 than this plea agreement that is making you plead guilty?

6 **THE DEFENDANT:** No, sir.

7 **THE COURT:** Has anybody made any prediction or tried
8 to tell you or promise you the exact sentence that the Court
9 will impose in your case?

10 **THE DEFENDANT:** No, sir.

11 **THE COURT:** And you do realize that I don't have to
12 follow the plea agreement, that even though it's filed in
13 writing by you and the Government together with the Court that
14 I don't have to follow any of it, that if, in fact, I find it
15 appropriate, I can sentence you up to the maximum possible
16 punishment as I explained to you and if I do not follow the
17 plea agreement in any way, you will not be able to take your
18 guilty plea back? Do you understand that?

19 **THE DEFENDANT:** Yes, sir.

20 **THE COURT:** Mr. Lopez, knowing everything I have
21 explained to you this afternoon, do you still want to plead
22 guilty to this Criminal Information?

23 **THE DEFENDANT:** Yes, sir.

24 **THE COURT:** And you still want to give up your right
25 to an indictment by a Grand Jury?

1 **THE DEFENDANT:** Yes, sir.

2 **THE COURT:** The Court is going to find that the plea
3 that this Defendant is volunteering is not the result of any
4 force or threat or promise other than that recited in his plea
5 agreement.

6 I want you to listen very closely now, Mr. Lopez,
7 because I'm going to ask Mr. Lopez, the prosecutor, to state
8 the facts in your case as he and the Government claim they are.
9 The reason that I want you to listen closely is because when
10 he's finished, I'm going to ask you if what he said about you
11 was true or if there was any part of what he said about you
12 that was not true.

13 Go ahead, sir.

14 **MR. LOPEZ:** At all relevant times, the city of
15 Weslaco was a political subdivision within the state of Texas.
16 Weslaco is governed by local – by a local government charter
17 pursuant to the charter of the city of Weslaco.

18 During the relevant time period, Individual A was a
19 resident of Hidalgo County, Texas. Individual B was a
20 businessman who lived and worked in Weslaco, Texas. Individual
21 C was an attorney based in Rio Grande City, Texas.

22 Commissioner A is an attorney and a former City of
23 Weslaco Commissioner who served as commissioner from at least
24 1995 through 2014. Commissioner B is a current Weslaco City
25 Commissioner and has served as a commissioner since 2009.

1 Company A was an international engineering and
2 construction company that performed large-scale infrastructure
3 projects for public and private clients. Person A was an
4 employee of Company A.

5 Company B was an engineering company based in
6 San Antonio, Texas. Person B was the owner of Company B.

7 Company C was an engineering company based in
8 McAllen, Texas. Person C was the owner of Company C.

9 Company D is a concrete company based in Corpus
10 Christi, Texas that is owned in part by Individual A.

11 Beginning in approximately 2008 and continuing
12 through on or about at least December 2016 in the Southern
13 District of Texas, the Defendant orchestrated and participated
14 in a bribery scheme to pay Weslaco City Commissioners in
15 exchange for their votes to benefit Companies A, B and C.

16 In exchange, the Defendant solicited and accepted
17 over 4 million in bribe payments from Companies A, B and C.
18 The Defendant attempted to conceal the bribery scheme by
19 creating a false contract with Company B that purported to
20 establish a consulting relationship. After receiving the bribe
21 payments, the Defendant used different methods to provide bribe
22 payments to Commissioner A and Commissioner B.

23 To pay Commissioner A, the Defendant provided checks
24 totaling approximately \$1,405,000 to Individual A, who then
25 laundered approximately \$405,000 in check payments to

1 Commissioner A through Company D. The bribe payments made by
2 Individual A to Commissioner A were disguised as payments for
3 legitimate business that Commissioner A never performed. The
4 purpose of disguising the payments was to conceal and promote
5 the ongoing bribery scheme.

6 Another method that the Defendant used to pay
7 Commissioner A was through Individual C. The Defendant
8 provided bribe payments to Individual C who used an IOLTA bank
9 account for Individual C's law practice to launder
10 approximately \$90,000 in bribe payments and provide them to
11 Commissioner A. To conceal these bribe payments, Individual C
12 attempted to establish a false attorney-client relationship
13 among the Defendant, Individual C and Commissioner A.

14 To compensate Individual C for laundering the funds,
15 the Defendant and Individual A agreed to and did help
16 Individual C's friend obtain employment. The purpose of
17 disguising the payments was to conceal and promote the ongoing
18 bribery scheme.

19 To provide bribe payments to Commissioner B, the
20 Defendant enlisted Individual B to agree to secure Commissioner
21 B's participation and act as a conduit for bribe payments to
22 Commissioner B. The Defendant paid Individual B approximately
23 \$92,950 by checks and Individual B would cash the checks and
24 split the cash with Commissioner B. The purpose of making the
25 payments in this way was to further conceal and promote the

1 ongoing bribery scheme.

2 Throughout the conspiracy, the Defendant would meet
3 with Person A, Person B and Person C to discuss the execution
4 of the scheme, including what votes Commissioner A and
5 Commissioner B needed to take to benefit Companies A, B and C.
6 After paying Individuals A, B and C, who in turn paid bribes to
7 Commissioners A and B during the relevant time period, the
8 Defendant retained at least \$2,514,414 in funds for his own
9 personal benefit and use.

10 In exchange for the bribes, Commissioners A and B
11 voted in favor of infrastructure projects related to Weslaco's
12 water processing facilities and steered over \$50 million in
13 contracts to Companies A, B and C. Companies A and B then
14 granted sub-contracts to Company C. During each of the one-
15 year periods beginning on or about 2008 and continuing at least
16 through 2016, Weslaco received benefits in excess of \$10,000
17 under a Federal program involving a grant, contract, subsidy,
18 loan, guarantee, insurance or other form of Federal assistance.

19 **THE COURT:** Mr. Lopez, you heard what the Government
20 is saying are the facts in your case. Is what he said about
21 you true?

22 **THE DEFENDANT:** Yes, sir.

23 **THE COURT:** Is there any part that was not true?

24 **THE DEFENDANT:** No, sir.

25 **THE COURT:** So from on or about April 2008 to on or

1 about December 2016 within the jurisdiction of this Court, you
2 willfully, knowingly and corruptly gave, offered and agreed to
3 give something of value, that is, money to a public official or
4 officials intending the public officials – official and/or
5 officials to be influenced and rewarded in connection with a
6 business transaction and series of transactions of the city of
7 Weslaco, Texas valued at \$5,000 or more, as described in the
8 facts that you have just submitted; is that right?

9 **THE DEFENDANT:** Yes, sir.

10 **THE COURT:** And those contracts were for construction
11 and rehabilitation of water treatment facilities in the city of
12 Weslaco, Texas and during that same one-year period, the city
13 of Weslaco, Texas, you agree, received benefits in excess of
14 \$10,000 under Federal programs involving a grant, contract,
15 subsidy, loan, guarantee, and/or insurance and other form of
16 Federal assistance; is that correct?

17 **THE DEFENDANT:** Yes, sir.

18 **THE COURT:** And so you knew what you were doing was
19 illegal and no one forced you to do it? You did it of your own
20 free will?

21 **THE DEFENDANT:** Yes, sir.

22 **THE COURT:** The Court is definitely satisfied that
23 there is a factual basis for your guilty plea. Since you have
24 pled guilty as charged in your Criminal Information, since you
25 know of your right to a trial and what the maximum possible

1 punishment is and since you're voluntarily pleading guilty, I
2 will order that a Presentence Investigation Report in your case
3 be prepared.

4 The Court will order that it be prepared by April the
5 26th of the year 2019, obviously. Objections have to be filed
6 by May 10th of the year 2019 and the final report has to be
7 ready for the Court after objections have been filed by either
8 side or both. The final report has to be prepared for the
9 Court by May 24th of the year 2019.

10 Is your client going to insist on a 35-day waiting
11 period after that before he is sentenced?

12 **MR. GUERRERO:** Yes, Judge.

13 **THE COURT:** He is?

14 **MR. GUERRERO:** Yes.

15 **THE COURT:** Okay. The Court will set his sentencing
16 for – does the Government have a view as to when the sentencing
17 should be?

18 **MR. LOPEZ:** Your Honor, I anticipated it's going to
19 be a ways down the line, your Honor.

20 **THE COURT:** So July – sometime in July would be fine
21 and then you can ask for a continuance if you need more time?

22 **MR. LOPEZ:** That would be fine, your Honor. That
23 would be fine.

24 **THE COURT:** I'll set it for July 15th at 9:30 in the
25 morning in this courtroom.

1 Any motion for continuance has to be filed by July
2 12th or before then if there is a need for more continuance
3 than this period of time. Obviously, this is more than we
4 would normally give but I certainly understand. If you need
5 more time, that would not be a problem.

6 **MR. LOPEZ:** Your Honor –

7 **THE COURT:** I am going to ask him to proceed to go
8 downstairs to the Magistrate with regards to this issue of
9 continuing on bond.

10 **MR. LOPEZ:** Your Honor, prior to that, your Honor, we
11 have an agreement – a motion for the imposition of a money
12 judgment. And there's something that we may approach the Court
13 on as well.

14 **THE COURT:** Sure. You need to sign – you need that
15 motion now?

16 **MR. LOPEZ:** We don't need it right now, your Honor –

17 **THE COURT:** Okay.

18 **MR. LOPEZ:** – but we'd like to get it on file.

19 **THE COURT:** Okay. You're just going to file the
20 motion?

21 **MR. LOPEZ:** Yes, your Honor.

22 **THE COURT:** And you're filing it under seal?

23 **MR. LOPEZ:** Your Honor, now that the case is
24 unsealed, your Honor, it's fine if it's unsealed.

25 **THE COURT:** The case can be unsealed?

1 **MR. LOPEZ:** Yes, your Honor. I –

2 **THE COURT:** I was told that we needed to have this –

3 **MR. GUERRERO:** As it's sealed –

4 **MR. LOPEZ:** May we approach, your Honor –

5 **THE COURT:** Sure.

6 **MR. LOPEZ:** – to discuss that?

7 **THE COURT:** Mr. Lopez needs to come up here?

8 **MR. LOPEZ:** Yes, sir.

9 **(Sealed portion from 4:02 p.m. to 4:05 p.m. is omitted)**

10 **THE COURT:** There's nothing else before the Court,
11 right? You-all can be excused. Thank you.

12 **MR. LOPEZ:** Thank you, your Honor.

13 **(This proceeding ends at 4:05 p.m.)**

14

15

16

17

18

19

20

21

22

23

24

25

CERTIFICATION

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.



Signed

March 29, 2019

Dated

TONI HUDSON, TRANSCRIBER